



Cinergy/ULH&P  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

November 10, 2004

**RECEIVED**

NOV 10 2004

**PUBLIC SERVICE  
COMMISSION**

Ms. Beth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

Case 2004-00440

Dear Ms. O'Donnell:

RE: Gas Cost Adjustment Quarterly Filing

Enclosed for filing are an original and four (4) conformed copies of The Union Light, Heat and Power Company's (Union Light) "Quarterly Report of Gas Cost Calculations and Revised Tariff Schedules," including supporting schedules and other workpapers cross-referencing Suppliers rates and other calculations in this filing for the quarter commencing with the December 2004 revenue month.

The above described schedules and GCA are effective with the final meter readings of District 1, December 2004, revenue month (i.e., final meter readings on and after November 30, 2004).

Union Light's proposed GCA is \$8.533 per Mcf. This rate represents an increase of \$0.390 per Mcf from the rate currently in effect for November 2004.

Please stamp "FILED" on the additional enclosed copy of the application and return for our file. Thank you.

Very truly yours,

Robert P. Butts, Jr.

RPB:ga

Enclosure

**RECEIVED**

**THE UNION LIGHT, HEAT AND POWER COMPANY  
GAS COST ADJUSTMENT CLAUSE**

NOV 10 2004

**QUARTERLY REPORT**

PUBLIC SERVICE  
COMMISSION

**GAS COST RECOVERY RATES EFFECTIVE FROM NOVEMBER 30, 2004 THROUGH JANUARY 2, 2005**

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	8.408
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.001)
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.126
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>0.000</u>
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	<u>8.533</u>

**EXPECTED GAS COST CALCULATION**

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	8.408

**SUPPLIER REFUND ADJUSTMENT CALCULATION**

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER SUPPLIER REFUND ADJ.	\$/MCF	0.000
PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	(0.001)
SECOND PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	0.000
THIRD PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	<u>0.000</u>
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.001)

**ACTUAL ADJUSTMENT CALCULATION**

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER ACTUAL ADJUSTMENT	\$/MCF	(0.045)
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.320)
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.144
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	<u>0.347</u>
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.126

**BALANCE ADJUSTMENT CALCULATION**

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	(0.013)
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.023
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.041)
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	<u>0.031</u>
BALANCE ADJUSTMENT (BA)	\$/MCF	0.000

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO. 8373 OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED APRIL 16, 1982.

DATE FILED: November 10, 2004

BY: JOHN P. STEFFEN

TITLE: VICE-PRESIDENT, RATES

**GAS COST ADJUSTMENT  
THE UNION LIGHT, HEAT & POWER COMPANY  
EXPECTED GAS COST RATE CALCULATION (EGC)**

**"SUMMARY" FOR THE EGC RATE IN EFFECT AS OF DECEMBER 1, 2004**

		\$
<b><u>DEMAND (FIXED) COSTS:</u></b>		
Columbia Gas Transmission Corp.		2,607,141
Tennessee Gas Pipeline		1,355,512
Columbia Gulf Transmission Corp.		925,578
K O Transmission Company		334,075
Gas Marketers		171,281
TOTAL DEMAND COST:		5,393,587
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	11,428,284 MCF	
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$5,393,587 / 11,428,284 MCF	<b>\$0.472 /MCF</b>
 <b><u>COMMODITY COSTS:</u></b>		
Gas Marketers		\$7.113 /MCF
Gas Storage		
Columbia Gas Transmission		\$0.818 /MCF
Propane		\$0.005 /MCF
COMMODITY COMPONENT OF EGC RATE:		<b>\$7.936 /MCF</b>
 TOTAL EXPECTED GAS COST:		 <b>\$8.408 /MCF</b>

**GAS COST ADJUSTMENT  
THE UNION LIGHT, HEAT & POWER COMPANY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : \_\_\_\_\_ DECEMBER 1, 2004 \_\_\_\_\_

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
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INTERSTATE PIPELINE : **COLUMBIA GAS TRANSMISSION CORP.**

TARIFF RATE EFFECTIVE DATE : FSS: 8/1/2004  
SST: 11/1/2004

BILLING DEMAND - TARIFF RATE - FSS

Max. Daily Withdrawl Quan.	1.5080	39,656	12	717,615
Seasonal Contract Quantity	0.0290	1,365,276	12	475,116

BILLING DEMAND - TARIFF RATE - SST

Maximum Daily Quantity	3.9630	39,656	6	942,940
Maximum Daily Quantity	3.9630	19,828	6	471,470

CAPACITY RELEASE CREDIT

0

**TOTAL COLUMBIA GAS TRANSMISSION CORP. DEMAND CHARGES**

**2,607,141**

INTERSTATE PIPELINE : **TENNESSEE GAS PIPELINE**

TARIFF RATE EFFECTIVE DATE : NOT APPLICABLE

BILLING DEMAND - TARIFF RATE - FT

Max. Daily Quantity Zone 1-2	4.1000	47,500	6	1,168,500
Max. Daily Quantity Zone 1-2	3.9371	47,500	1	187,012

CAPACITY RELEASE CREDIT

0

**TOTAL TENNESSEE GAS PIPELINE DEMAND CHARGES**

**1,355,512**

Columbia Gas Transmission Corporation  
 FERC Gas Tariff  
 Second Revised Volume No. 1

Currently Effective Rates  
 Applicable to Rate Schedule FSS, ISS, and SIT  
 Rate Per Dth

	Base Tariff Rate 1/	Transportation Cost		Electric Power		Annual Charge 2/	Total Effective Rate	Daily Rate
		Rate Current	Adjustment Surcharge	Costs Current	Adjustment Surcharge			
Rate Schedule (FSS)								
Reservation Charge	\$ 1.508	-	-	-	-	-	1.508	0.050
Capacity	¢ 2.90	-	-	-	-	-	2.90	2.90
Injection	¢ 1.53	-	-	-	-	-	1.53	1.53
Withdrawal	¢ 1.53	-	-	-	-	-	1.53	1.53
Overrun	¢ 10.92	-	-	-	-	-	10.92	10.92
Rate Schedule ISS								
Commodity								
Maximum	¢ 5.95	-	-	-	-	-	5.95	5.95
Minimum	¢ 0.00	-	-	-	-	-	0.00	0.00
Injection	¢ 1.53	-	-	-	-	-	1.53	1.53
Withdrawal	¢ 1.53	-	-	-	-	-	1.53	1.53
Rate Schedule SIT								
Commodity								
Maximum	¢ 4.13	-	-	-	-	-	4.13	4.13
Minimum	¢ 1.53	-	-	-	-	-	1.53	1.53

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.

2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.

Currently Effective Rates  
 Applicable to Rate Schedule SST and GTS  
 Rate Per Dth

Commodity	Rate Schedule	Reservation Charge 3/	Base Tariff Rate 1/	Transportation Cost Rate Adjustment		Electric Power Costs Adjustment		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
				Current	Surcharge	Current	Surcharge			
	Rate Schedule SST	\$	5.469	0.336	0.011	0.022	-0.004	-	5.834	0.192
	Commodity	¢	1.02	0.37	0.05	0.22	0.02	0.19	1.87	1.87
	Maximum	¢	1.02	0.37	0.05	0.22	0.02	0.19	1.87	1.87
	Minimum	¢	19.00	1.47	0.09	0.29	0.01	0.19	21.05	21.05
	Overrun									
	Rate Schedule GTS	¢	75.15	2.58	0.12	0.36	-0.01	0.19	78.39	78.39
	Commodity	¢	3.08	0.37	0.12	0.22	-0.01	0.19	3.97	3.97
	Maximum	¢	72.07	2.21	0.00	0.14	0.00	-	74.42	74.42
	Minimum									
	MFCC									

DISCOUNTED TO 3.963

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively. For rates by function, see Sheet No. 30A.  
 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.  
 3/ Minimum reservation charge is \$0.00.



June 25, 2004

Union, Light, Heat & Power Company  
139 East Fourth Street, EM025  
P.O. Box 960  
Cincinnati, OH 45202

RE: Pre-Arranged Discounted Rate Letter

Dear Jim Henning:

In order to finalize the discussions between Tennessee Gas Pipeline Company ("TGP") and Union, Light, Heat & Power Company (ULH&P) regarding Zone 2 firm transportation requirements, the following letter agreement has been drafted. In light of these discussions, TGP is pleased to make the following proposals:

Zone 2 Capacity Proposal

Transportation Quantity ("TQ"): 47,500 Dth/d

Term: November 1, 2004 through April 30, 2006

Primary Receipt Point(s): Zone 1: Meter No. 012374 (Grand Isle Dehy): 47,500 Dth/d

Secondary Receipt Point(s) at which the Discounted Rate specified below applies:  
Any Zone 1 100 leg or Zone L or 1 500 leg receipt point

Primary Delivery Point(s): Zone 2: Meter No. 020049 (TCO North Means): 47,500 Dth/d

Monthly Demand Rate: November 1, 2004 through April 30, 2005 \$4.1000 per Dth  
May 1, 2005 through September 30, 2005 \$0.0000 per Dth  
October 1, 2005 through April 30, 2005 \$3.9371 per Dth

The discounted demand rate is inclusive of all applicable surcharges specified in TGP's currently effective FERC approved gas tariff ("TGP Tariff").

Commodity Rate for Primary Deliveries: TGP's maximum applicable commodity rate  
The maximum commodity rate is inclusive of all applicable surcharges specified in TGP's currently effective FERC approved gas tariff ("TGP Tariff").

Other Conditions:

ULH&P shall pay the applicable fuel and loss charges.

The total amount of primary receipt point capacity and primary delivery point capacity shall be equal and the amount of each will equal the TQ described above.

Receipts and/or deliveries to points other than those listed above during the term of ULH&P's Service Package shall result in ULH&P being assessed Tennessee's maximum reservation rate for the primary path divided by the number of days in the month for the entire contract TQ on the day(s) of such deliveries and the maximum daily commodity rates under Rate Schedule FT-A as well as the applicable

**GAS COST ADJUSTMENT  
THE UNION LIGHT, HEAT & POWER COMPANY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : \_\_\_\_\_ DECEMBER 1, 2004 \_\_\_\_\_

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
<b>INTERSTATE PIPELINE : COLUMBIA GULF TRANSMISSION CORP.</b>				
TARIFF RATE EFFECTIVE DATE :		FTS-1: 10/1/2004		
		FTS-2: 10/1/2004		
<b><u>BILLING DEMAND - TARIFF RATE - FTS-1</u></b>				
Maximum Daily Quantity	3.1450	22,782	5	358,247
Maximum Daily Quantity	3.1450	17,598	7	387,420
<b><u>BILLING DEMAND - TARIFF RATE - FTS-2</u></b>				
Maximum Daily Quantity	0.9995	15,000	5	74,963
Maximum Daily Quantity	0.9995	15,000	7	104,948
CAPACITY RELEASE CREDIT FOR FTS-1				0
CAPACITY RELEASE CREDIT FOR FTS-2				0
<b>TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES</b>				<b>925,578</b>
<b>INTERSTATE PIPELINE : KO TRANSMISSION COMPANY</b>				
TARIFF RATE EFFECTIVE DATE :		10/1/2004		
<b><u>BILLING DEMAND - TARIFF RATE - FT</u></b>				
Maximum Daily Quantity	0.3560	78,201	12	334,075
CAPACITY RELEASE CREDIT				0
<b>TOTAL KO TRANSMISSION CO. DEMAND CHARGES</b>				<b>334,075</b>
<b>VARIOUS GAS MARKETERS FIXED (RESERVATION) CHARGES :</b>				
November - March	0.0072	10,003,929		71,831
December - February	0.1933	514,500		99,450
<b>TOTAL GAS MARKETERS FIXED CHARGES</b>				<b>171,281</b>

Currently Effective Rates  
Applicable to Rate Schedule FTS-1  
Rates per Dth

Base Rate (1) \$	Annual Charge Adjustment (2) \$ 1/	Subtotal (3) \$	Total Effective Rate (4) \$	Daily Rate (5) \$	Company Use and Unaccounted For (6) %
3.1450	-	3.1450	3.1450	0.1034	-
0.0170	0.0019	0.0189	0.0189	0.0189	2.837
0.0170	0.0019	0.0189	0.0189	0.0189	2.837
0.1204	0.0019	0.1223	0.1223	0.1223	2.837

Rate Schedule (FTS-1)  
Rayne, LA To Points North  
Reservation Charge 2/  
Commodity  
Maximum  
Minimum  
Overrun

1/ Pursuant to Section 154.402 of the Commission's Regulations. Rate applies to all Gas Delivered and is non-cumulative, i.e., when transportation involves more than one zone, rate will be applied only one time.

2/ The Minimum Rate under Reservation Charge is zero (0).

Currently Effective Rates  
 Applicable to Rate Schedule FTS-2  
 Rates per Dth

	Base Rate (1) \$	Annual Charge Adjustment (2) \$ 1/	Subtotal (3) \$	Total Effective Rate (4) \$	Daily Rate (5) \$	Company Use and Unaccounted For (6) %
<b>Rate Schedule <u>FTS-2</u></b>						
<b>Offshore Laterals</b>						
Reservation Charge 2/	2.6700	-	2.6700	2.6700	0.0878	-
Commodity	0.0002	0.0019	0.0021	0.0021	0.0021	0.565
Maximum	0.0002	0.0019	0.0021	0.0021	0.0021	0.565
Minimum	0.0880	0.0019	0.0899	0.0899	0.0899	0.565
Overrun						
<b>Onshore Laterals</b>						
Reservation Charge 2/	1.0603	-	<u>1.0603</u>	1.0603	0.0349	-
Commodity	0.0017	0.0019	0.0036	0.0036	0.0036	0.763
Maximum	0.0017	0.0019	0.0036	0.0036	0.0036	0.763
Minimum	0.0366	0.0019	0.0385	0.0385	0.0385	0.763
Overrun						
<b>Offsystem-Onshore</b>						
Reservation Charge 2/	2.5255	-	2.5255	2.5255	0.0830	-
Commodity	0.0070	0.0019	0.0089	0.0089	0.0089	-
Maximum	0.0070	0.0019	0.0089	0.0089	0.0089	-
Minimum	0.0900	0.0019	0.0919	0.0919	0.0919	-
Overrun						

DISCOUNTED TO 0.9995

1/ Pursuant to Section 154.402 of the Commission's Regulations. Rate applies to all Gas Delivered and is non-cumulative, i.e., when transportation involves more than one zone, rate will be applied only one time.

2/ The Minimum Rate under Reservation Charge is zero (0).

KO Transmission Company  
 FERC Gas Tariff  
 Original Volume No. 1

Fifteenth Revised Sheet No. 10  
 Superseding Fourteenth Revised Sheet No. 10

**CURRENTLY EFFECTIVE RATES  
 APPLICABLE TO RATE SCHEDULES FTS AND ITS**

**RATE LEVELS - RATE PER DTH**

	Base Tariff Rate	Annual Charge Adjustment 1/	R&D Funding Unit 2/	Total Effective Rate
<b>RATE SCHEDULE <u>FTS</u></b>				
Reservation Charge 3/				
Maximum 1	\$0.3560	--	\$0.2180	\$0.5740
Maximum 2	\$0.3560	--	\$0.1340	\$0.4900
Daily Rate - Maximum 1	\$0.0117	--	\$0.0072	\$0.0189
Daily Rate - Maximum 2	\$0.0117	--	\$0.0044	\$0.0161

Commodity				
Maximum	\$0.0000	\$0.0019	\$0.0085	\$0.0104
Minimum	\$0.0000	\$0.0019	\$0.0000	\$0.0019
Overrun	\$0.0117	\$0.0019	\$0.0085	\$0.0221

**RATE SCHEDULE ITS**

Commodity				
Maximum	\$0.0117	\$0.0019	\$0.0085	\$0.0221
Minimum	\$0.0000	\$0.0019	\$0.0000	\$0.0019

1/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's regulations and will be charged pursuant to Section 23 of the General Terms and Conditions at such time that initial and successive annual ACA assessments applicable to Transporter are made.

2/ GRI assessed where applicable pursuant to Section 154.401 of the Commission's regulations. The Maximum 1 rate is applicable to customers with load factors exceeding 50%; the Maximum 2 is applicable to customers with load factors equal to or less than 50%.

3/ Minimum reservation charge is \$0.00.

Transportation Retainage Adjustment 1.00%

NOTE: Utilizing GISO standards 5.3.22 and 5.3.23, Transporter's Rate Schedule FTS Reservation Charge can be converted to an applicable daily rate by dividing the above monthly rate by 30.4 days.

Issued by: William A. Tucker  
 Issued on: September 7, 2004

Effective: October 1, 2004

11/8/2004

**THE UNION LIGHT, HEAT & POWER COMPANY  
TOTAL RESERVATION COSTS FROM FIRM SUPPLIERS  
ESTIMATED FOR EGC EFFECTIVE 12/1/2004**

**TOTAL ANNUAL RESERVATION COST:**

TOTAL DOLLARS \$ 71,831 (1)

**TOTAL ANNUAL COVERAGE:**

CITY GATE VOLUMES 10,003,929 DTH (2)

**CALCULATED RATE:** \$ 0.0072 PER DTH

(1) Reservation charges billed by firm suppliers for 2004 - 2005.

(2) Contracted volumes for the 2004 - 2005 winter season.



**GAS COST ADJUSTMENT  
THE UNION LIGHT, HEAT & POWER COMPANY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : \_\_\_\_\_ DECEMBER 1, 2004 \_\_\_\_\_

**GAS COMMODITY RATE FOR DECEMBER, 2004:**

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$7.7771	\$/Dth
ULH&P FUEL	2.200%	\$0.1711	\$7.9482	\$/Dth
DTH TO MCF CONVERSION	1.0287	\$0.2281	\$8.1763	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.8700		\$7.1134	\$/Mcf
			<b>\$7.113</b>	<b>\$/Mcf</b>

**GAS MARKETERS COMMODITY RATE**

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$5.8331	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$5.8484	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.565%	\$0.1500	\$5.9984	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0168	\$6.0152	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0136	\$6.0288	\$/Dth
ULH&P FUEL	2.200%	\$0.1326	\$6.1614	\$/Dth
DTH TO MCF CONVERSION	1.0287	\$0.1768	\$6.3382	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.1290		\$0.8176	\$/Mcf
			<b>\$0.818</b>	<b>\$/Mcf</b>

**GAS STORAGE COMMODITY RATE - COLUMBIA GAS**

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.34268	\$/Gallon
GALLON TO MCF CONVERSION	14.84	\$4.7427	\$5.0854	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.0010		\$0.0051	\$/Mcf
			<b>\$0.005</b>	<b>\$/Mcf</b>

**PROPANE COMMODITY RATE**

(1) Weighted average cost of gas based on NYMEX prices on 11/08/04 and contracted hedging prices.

**GAS COST ADJUSTMENT CLAUSE  
THE UNION LIGHT, HEAT AND POWER COMPANY  
SUPPLIER REFUND ADJUSTMENT**

**DETAILS FOR THE THREE MONTH PERIOD ENDED** **AUGUST 31, 2004**

DESCRIPTION	UNIT	AMOUNT
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD JUNE 1, 2004 THROUGH AUGUST 31, 2004	\$	657.33
INTEREST FACTOR (REFLECTING 90 DAY COMMERCIAL PAPER RATE)		1.0040
REFUNDS INCLUDING INTEREST ( \$657.33 x 1.0040 )	\$	659.96
DIVIDED BY 12 MONTH PROJECTED SALES ENDED NOVEMBER 30, 2005	MCF	11,431,506
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u>0.000</u>

**DETAILS OF SUPPLIER REFUNDS RECEIVED DURING THE THREE MONTHS ENDED** **AUGUST 31, 2004**

DESCRIPTION	UNIT	AMOUNT
<u>SUPPLIER</u>		
COLUMBIA GAS TRANSMISSION COMPANY - REFUND DATED JUNE 15,2004	\$	620.19
COLUMBIA GULF TRANSMISSION COMPANY - REFUND DATED JUNE 15, 2004	\$	37.14
TOTAL REFUNDS APPLICABLE TO THE CURRENT GCA RAU	\$	<u>657.33</u>

**GAS COST ADJUSTMENT CLAUSE  
THE UNION LIGHT, HEAT AND POWER COMPANY  
ACTUAL ADJUSTMENT**

DETAILS FOR THE THREE MONTH PERIOD ENDED

AUGUST 31, 2004

DESCRIPTION	UNIT	JUNE	JULY	AUGUST
<b><u>SUPPLY VOLUME PER BOOKS</u></b>				
PRIMARY GAS SUPPLIERS	MCF	199,536	192,628	205,865
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	0	0	0
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	283	(1,057)	1,758
TOTAL SUPPLY VOLUMES	MCF	<u>199,819</u>	<u>191,571</u>	<u>207,623</u>
<b><u>SUPPLY COST PER BOOKS</u></b>				
PRIMARY GAS SUPPLIERS	\$	1,561,467	1,520,761	1,509,220
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	0	0	(67,245)
OTHER COSTS (SPECIFY):				
MIRANT MANAGEMENT FEE	\$	(17,626)	(17,626)	(17,626)
X-5 TARIFF	\$	0	0	0
TRANSPORTATION SERVICE "UNACCOUNTED FOR"	\$	0	0	0
GAS COST CREDIT	\$	0	0	0
LOSSES - DAMAGED LINES	\$	0	0	0
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	<u>1,543,841</u>	<u>1,503,135</u>	<u>1,424,349</u>
<b><u>SALES VOLUMES</u></b>				
JURISDICTIONAL	MCF	247,971.7	218,269.0	239,470.6
NON-JURISDICTIONAL	MCF	0	0	0
OTHER VOLUMES (SPECIFY):	MCF	0	0	0
TOTAL SALES VOLUMES	MCF	<u>247,971.7</u>	<u>218,269.0</u>	<u>239,470.6</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	6.226	6.887	5.948
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	<u>7.140</u>	<u>6.956</u>	<u>7.068</u>
DIFFERENCE	\$/MCF	(0.914)	(0.069)	(1.120)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>247,971.7</u>	<u>218,269.0</u>	<u>239,470.6</u>
EQUALS MONTHLY COST DIFFERENCE	\$	<u>(226,646.13)</u>	<u>(15,060.56)</u>	<u>(268,207.07)</u>
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			<u>(509,913.76)</u>
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			<u>(509,913.76)</u>
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED NOVEMBER 30, 2005	MCF			11,431,506
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>(0.045)</u>
AAU				

**GAS COST ADJUSTMENT CLAUSE  
THE UNION LIGHT, HEAT AND POWER COMPANY  
BALANCE ADJUSTMENT  
DETAILS FOR THE THREE MONTH PERIOD ENDED      AUGUST 31,      2004**

DESCRIPTION	UNIT	AMOUNT
<b><u>RECONCILIATION OF A PREVIOUS GAS COST VARIANCE</u></b>		
GAS COST DIFFERENCE TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "AA" EFFECTIVE      SEPTEMBER 1,      2003	\$	(2,173,182.96)
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$      (0.183)      /MCF APPLIED TO TOTAL SALES OF      10,892,168      MCF (TWELVE MONTHS ENDED      AUGUST 31,      2004      )	\$	<u>(1,993,266.71)</u>
BALANCE ADJUSTMENT FOR THE "AA"	\$	<u>(179,916.25)</u>
<b><u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND</u></b>		
SUPPLIER REFUND AMOUNT TO BE DISTRIBUTED TO CUSTOMERS WHICH WAS USED TO COMPUTE THE "RA" EFFECTIVE      SEPTEMBER 1,      2003	\$	(46,023.74)
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$      (0.004)      /MCF APPLIED TO TOTAL SALES OF      10,892,168      MCF (TWELVE MONTHS ENDED      AUGUST 31,      2004      )	\$	<u>(43,568.67)</u>
BALANCE ADJUSTMENT FOR THE "RA"		<u>(2,455.07)</u>
<b><u>RECONCILIATION OF A PREVIOUS BALANCE ADJUSTMENT</u></b>		
AMOUNT TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "BA" EFFECTIVE      SEPTEMBER 1,      2003	\$	346,221.86
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$      0.029      /MCF APPLIED TO TOTAL SALES OF      10,892,168      MCF (TWELVE MONTHS ENDED      AUGUST 31,      2004      )	\$	<u>315,872.86</u>
BALANCE ADJUSTMENT FOR THE "BA"	\$	<u>30,349.00</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>(152,022.32)</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED      NOVEMBER 30,      2005	MCF	<u>11,431,506</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	<u><u>(0.013)</u></u>
BAU		

Schedule V

Revised Tariff Schedules

**INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED**

	<u>Sheet No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>	
<b><u>SERVICE REGULATIONS</u></b>				
Service Agreements.....	20	05/24/92	02/26/92	
Supplying and Taking of Service.....	21	05/24/92	02/26/92	
Customer's Installation.....	22	05/24/92	02/26/92	
Company's Installation.....	23	05/24/92	02/26/92	
Metering.....	24	09/10/93	09/10/93	
Billing and Payment.....	25	02/02/01	02/02/01	
Deposits.....	26	09/10/93	09/10/93	
Application.....	27	05/24/92	02/26/92	
Gas Space Heating Regulations.....	28	05/24/92	02/26/92	
Availability of Gas Service.....	29	05/24/92	02/26/92	
<b><u>FIRM SERVICE TARIFF SCHEDULES</u></b>				
Rate RS, Residential Service.....	30	11/30/04	11/30/04	
Rate GS, General Service.....	31	11/30/04	11/30/04	(C)
Reserved for Future Use.....	32			
Reserved for Future Use.....	33			
Reserved for Future Use.....	34			
Reserved for Future Use.....	35			
Reserved for Future Use.....	36			
Reserved for Future Use.....	37			
Reserved for Future Use.....	38			
Reserved for Future Use.....	39			
Reserved for Future Use.....	40			
Reserved for Future Use.....	41			
Reserved for Future Use.....	42			
Reserved for Future Use.....	43			
Rate FRAS, Full Requirements Aggregation Service.....	44	03/01/02	01/31/02	
Reserved for Future Use.....	45			
Reserved for Future Use.....	46			
Reserved for Future Use.....	47			
Reserved for Future Use.....	48			
Reserved for Future use.....	49			
<b><u>TRANSPORTATION TARIFF SCHEDULE</u></b>				
Rate IT, Interruptible Transportation Service.....	50	03/01/02	01/31/02	
Purchased Service.....	50	03/01/02	01/31/02	
Summer Minimum Service.....	50	03/01/02	01/31/02	
Unauthorized Delivery.....	50	03/01/02	01/31/02	
Rate FT-L, Firm Transportation Service.....	51	04/07/02	04/08/02	
FT Bills – No GCRT.....	51	04/07/02	04/08/02	
FT Bills – With GCRT.....	51	04/07/02	04/08/02	
FT - Interruptible Bills – No GCRT on FT over 1 Year.....	51	04/07/02	04/08/02	
FT - Interruptible Bills – GCRT on FT Under 1 Year.....	51	04/07/02	04/08/02	
Reserved for Future Use.....	52			

**INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED (Contd.)**

	<u>Sheet No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>	
<b><u>TRANSPORTATION TARIFF SCHEDULES (Contd.)</u></b>				
Rate SSIT, Spark Spread Interruptible Transportation Rate.....	53	03/01/02	01/31/02	
Reserved for Future Use.....	54			
Rate AS, Pooling Service for Interruptible Transportation.....	55	03/01/02	01/31/02	
Reserved for Future Use.....	56			
Rate GTS, Gas Trading Service.....	57	03/01/02	01/31/02	
Rate IMBS, Interruptible Monthly Balancing Service.....	58	03/01/02	01/31/02	
Imbalance Trades.....	58	03/01/02	01/31/02	
Cash Out – Sell to Pool.....	58	03/01/02	01/31/02	
Cash Out – Buy from Pool.....	58	03/01/02	01/31/02	
Pipeline Penalty.....	58	03/01/02	01/31/02	
Rate DGS, Distributed Generation Service.....	59	03/01/02	01/31/02	
<b><u>RIDERS</u></b>				
Rider X, Main Extension Policy.....	60	03/01/02	01/31/02	
Rider DSM, Demand Side Management Cost Recovery Program	61	05/01/96	12/01/95	
Rider DSMR, Demand Side Management Rate.....	62	01/02/03	01/01/03	
Rider AMRP, Accelerated Main Replacement Program Rider.....	63	12/23/02	11/21/02	
Reserved for Future Use.....	64			
Reserved for Future Use.....	65			
Reserved for Future Use.....	66			
Reserved for Future Use.....	67			
Reserved for Future Use.....	68			
Reserved for Future Use.....	69			
<b><u>GAS COST RECOVERY RIDERS</u></b>				
Gas Cost Adjustment Clause.....	70	07/16/01	07/16/01	
Reserved for Future Use.....	71			
Reserved for Future Use.....	72			
Reserved for Future Use.....	73			
Reserved for Future Use.....	74			
Reserved for Future Use.....	75			
Reserved for Future Use.....	76			
Rider GCAT, Gas Cost Adjustment Transition Rider.....	77	11/30/04	11/30/04	(C)
Reserved for Future Use.....	78			
Reserved for Future Use.....	79			
<b><u>MISCELLANEOUS</u></b>				
Bad Check Charge.....	80	08/31/93	08/31/93	
Charge for Reconnection of Service.....	81	10/02/90	10/02/90	
Local Franchise Fee.....	82	10/02/90	10/02/90	
Curtailement Plan.....	83	10/02/90	10/02/90	
Reserved for Future Use.....	84			
Reserved for Future Use.....	85			
Reserved for Future Use.....	86			
Reserved for Future Use.....	87			
Reserved for Future Use.....	88			
Reserved for Future Use.....	89			

Issued by authority of an Order of the Kentucky Public Service Commission dated

in Case No.

Issued:

Effective: November 30, 2004

Issued by Gregory C. Ficke, President

**RATE RS**

**RESIDENTIAL SERVICE**

**APPLICABILITY**

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for all domestic purposes in private residences, single occupancy apartments, and common use areas of multi-occupancy buildings, when supplied at one point of delivery where distribution mains are adjacent to the premises to be served.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:  
All gas is billed in units of 100 cubic feet (CCF).

Customer Charge per month: \$8.30  
Plus the applicable charge per month as set forth on Sheet No. 63,  
Rider AMRP, Accelerated Main Replacement Program

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a commodity Charge for all CCF at	23.34¢	plus	85.33¢	Equals	108.67¢	(I)

Plus, all delivered gas shall be subject to an adjustment per CCF as set forth on:  
Sheet No. 62, Rider DSMR, Demand Side Management Rate.

The "Customer Charge" shown above plus Rider AMRP shall be the minimum amount billed each month.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

**RATE GS**

**GENERAL SERVICE**

**APPLICABILITY**

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for any purpose by an individual non-residential customer at one location when supplied at one point of delivery where distribution mains are adjacent to the premises to be served. This schedule is also applicable to non-metered natural gas commodity supplies and local delivery service for street lighting to such entities as certificated homeowners associations, businesses, and federal, state, and local governments. The Company may decline requests for service under this tariff due to gas supply limitations.

**NET MONTHLY BILL**

The Net Monthly Bill is determined as follows:  
 All gas is billed in units of 100 cubic feet (CCF)

Customer Charge per month: \$15.35  
 Plus the applicable charge per month as set forth on Sheet No. 63,  
 Rider AMRP, Accelerated Main Replacement Program

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>
Plus a Commodity Charge for all CCF at	20.49¢	plus	85.33¢	Equals	105.82¢

**(I)**

Plus all delivered gas shall be subject to an adjustment per CCF as set forth on:  
 Sheet No. 62, Rider DSMR, Demand Side Management Rate for non-residential service

The "Customer Charge" shown above plus Rider AMRP shall be the minimum amount billed per month.

The "Gas Cost Adjustment," as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum bills or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

**LATE PAYMENT CHARGE**

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. \_\_\_\_\_

Issued:

Issued by Gregory C. Ficke, President

Effective: November 30, 2004

The Union Light, Heat and Power Company  
107 Brent Spence Square  
Covington, Kentucky 41011

Ky.P.S.C. Gas No. 5  
Sheet No. 31.79  
Canceling and Superseding  
Sheet No. 31.78  
Page 2 of 2

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**TERM OF SERVICE**

One year, terminable thereafter on ten (10) days written notice by either customer or Company.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

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Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. \_\_\_\_\_

Issued:

Issued by Gregory C. Ficke, President

Effective: November 30, 2004

**RIDER GCAT**

**GAS COST ADJUSTMENT TRANSITION RIDER**

**APPLICABILITY**

Applicable to all customers served under Rate FT-L after the effective date of this tariff who paid gas supply costs through the Company's Gas Cost Adjustment (GCA) mechanism during the twelve month period immediately preceding the date on which the customer began receiving service under Rate FT-L.

**GCA TRANSITION RIDER**

A charge or credit shall be applied to all volumes transported pursuant to Rate FT-L in order to pass through to former GCA customers the Company's quarterly Actual Adjustment (AA), Balance Adjustment (BA), and Supplier Refund and Reconciliation Adjustment (RA) costs or credits during the first twelve months that the former sales customer participates in the Company's firm transportation program.

The amount of this charge or (credit) shall be 1.25 cents per 100 cubic feet. This rate shall be in effect during the month of December 2004 through February 2005 and shall be updated quarterly, concurrent with the Company's GCA filings.

(I)

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. \_\_\_\_\_

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Issued:

Effective: November 30, 2004

Issued by Gregory C. Ficke, President

THE UNION LIGHT, HEAT AND POWER COMPANY  
SUPPLEMENTAL INFORMATION  
FOR THE EXPECTED GAS COST (EGC) RATE CALCULATION  
OF THE GAS COST RECOVERY RATE  
IN EFFECT AS OF NOVEMBER 30, 2004

4TH QUARTER INT

**THE UNION LIGHT, HEAT AND POWER COMPANY  
USED FOR GCA EFFECTIVE DECEMBER 1, 2004  
COMPUTATION OF THE INTEREST FACTOR  
FOR THE GCA CALCULATION ON SCHEDULE II**

**TWELVE MONTHS ENDED SEPTEMBER 30, 2004  
BLOOMBERG REPORT (90-DAY COMMERCIAL PAPER RATES)**

INTEREST RATE	0.0073
PAYMENT	0.083663
ANNUAL TOTAL	1.0040
MONTHLY INTEREST	0.000608
AMOUNT	1

SEPTEMBER 2003	1.03	
OCTOBER 2003	1.04	
NOVEMBER 2003	1.06	
DECEMBER 2003	1.01	
JANUARY 2004	1.02	
FEBRUARY 2004	1.01	
MARCH 2004	0.98	
APRIL 2004	1.03	
MAY 2004	1.17	
JUNE 2004	1.44	
JULY 2004	1.54	
AUGUST 2004	1.66	13.99
SEPTEMBER 2004	1.84	14.80

PRIOR ANNUAL TOTAL	13.99
PLUS CURRENT MONTHLY RATE	1.84
LESS YEAR AGO RATE	1.03
NEW ANNUAL TOTAL	14.80
AVERAGE ANNUAL RATE	1.23
LESS 0.5% (ADMINISTRATIVE)	0.73

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: THE UNION LIGHT, HEAT AND POWER COMPANY

## ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

JULY, 2004

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH JULY, 2004</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	192,628
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	<u>(1,057)</u>
TOTAL SUPPLY VOLUMES	MCF	<u>191,571</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,520,761
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(17,626)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	<u>0</u>
TOTAL SUPPLY COST	\$	<u>1,503,135</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	218,269.0
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	<u></u>
TOTAL SALES VOLUME	MCF	<u>218,269.0</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	6.887
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>6.956</u>
DIFFERENCE	\$/MCF	(0.069)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>218,269.0</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(15,060.56)</u></u>

**THE UNION LIGHT, HEAT AND POWER COMPANY**  
**DETERMINATION OF TOTAL SUPPLY COST**  
**MONTH OF JULY, 2004**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,527,411.12	
adjustments	(5,739.93)	
IT monthly charges entered by Gas Supply	(909.78)	
	<hr/>	1,520,761
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	0.00	
	<hr/>	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	0.00	0
 <u>LESS: X-5 TARIFF</u>	0.00	0
 <u>LESS CMT MANAGEMENT FEE</u>	17,626.00	(17,626)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	0.00	0
 <u>LESS: GAS SOLD TO REMARKETERS</u>	0.00	
adjustments	0.00	
	<hr/>	0
 <u>LESS: GAS COST CREDIT</u>	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	0.00	
	<hr/>	0
 TOTAL SUPPLY COSTS		 <hr/> <hr/> 1,503,135

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT 191-40	(15,060.56)
ACCOUNT 805-10	15,060.56

## THE UNION LIGHT, HEAT AND POWER COMPANY

JULY, 2004

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>			
EGC	218,269.0	1,518,303.56	6.95611177
RA		(870.05)	
AA		47,835.89	
BA		15.41	
		<u>1,565,284.81</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>1,565,284.81</u>	
TOTAL SALES VOLUME	218,269.0		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>218,269.0</u>		
<b><u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u></b>			
SUPPLIER COST - CURRENT MONTH	218,269.0	1,503,135.00	6.88661697
UNRECOVERED PURCHASED GAS COST		62,896.45	
ROUNDING(ADD/(DEDUCT))		<u>108.00</u>	
TOTAL GAS COST IN REVENUE		<u>1,566,139.45</u>	
TOTAL GAS COST RECOVERY(GCR)		1,565,284.81	
LESS: RA		(870.05)	
BA		<u>15.41</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>1,566,139.45</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		62,896.45	
LESS: AA		<u>47,835.89</u>	
MONTHLY COST DIFFERENCE		15,060.56	
EXTENDED MONTHLY COST DIFFERENCE		<u>15,168.56</u>	
ROUNDING		<u>108.00</u>	

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: THE UNION LIGHT, HEAT AND POWER COMPANY

## ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

AUGUST, 2004

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH AUGUST, 2004</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	205,865
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	1,758
		1,758
TOTAL SUPPLY VOLUMES	MCF	207,623
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,509,220
Includable Propane	\$	(67,245)
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(17,626)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	0
		0
TOTAL SUPPLY COST	\$	1,424,349
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	239,470.6
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	239,470.6
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	5.948
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	7.068
DIFFERENCE	\$/MCF	(1.120)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	239,470.6
MONTHLY COST DIFFERENCE	\$	(268,207.07)

**THE UNION LIGHT, HEAT AND POWER COMPANY**  
**DETERMINATION OF TOTAL SUPPLY COST**  
**MONTH OF AUGUST, 2004**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,497,460.20	
adjustments	11,166.18	
IT monthly charges entered by Gas Supply	593.53	
	<hr/>	1,509,220
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	0.00	
	<hr/>	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	(67,244.89)	(67,245)
 <u>LESS: X-5 TARIFF</u>	0.00	0
 <u>LESS CMT MANAGEMENT FEE</u>	17,626.00	(17,626)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	0.00	0
 <u>LESS: GAS SOLD TO REMARKETERS</u>	0.00	
adjustments	0.00	
	<hr/>	0
 <u>LESS: GAS COST CREDIT</u>	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	0.00	
	<hr/>	0
 <b>TOTAL SUPPLY COSTS</b>		 <b><u><u>1,424,349</u></u></b>

ACCOUNTING ENTRY FOR DEFERRAL ONLYAMOUNT

ACCOUNT 191-40	(268,207.07)
ACCOUNT 805-10	268,207.07

## THE UNION LIGHT, HEAT AND POWER COMPANY

AUGUST, 2004

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>			
EGC	239,470.6	1,692,608.98	7.06812853
RA		(957.41)	
AA		58,363.49	
BA		10.99	
		<u>1,750,026.05</u>	
TOTAL GAS COST RECOVERY(GCR)			
TOTAL SALES VOLUME	239,470.6		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>239,470.6</u>		
 <b><u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u></b>			
SUPPLIER COST - CURRENT MONTH	239,470.6	1,424,349.00	5.94790759
UNRECOVERED PURCHASED GAS COST		326,570.56	
ROUNDING(ADD/(DEDUCT))		52.91	
		<u>1,750,972.47</u>	
TOTAL GAS COST IN REVENUE			
TOTAL GAS COST RECOVERY(GCR)		1,750,026.05	
LESS: RA		(957.41)	
BA		10.99	
		<u>1,750,972.47</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES			
		<u>1,750,972.47</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		326,570.56	
LESS: AA		<u>58,363.49</u>	
MONTHLY COST DIFFERENCE		268,207.07	
EXTENDED MONTHLY COST DIFFERENCE		<u>268,259.98</u>	
ROUNDING		<u>52.91</u>	

## PURCHASED GAS ADJUSTMENT

## SCHEDULE III

COMPANY NAME: THE UNION LIGHT, HEAT AND POWER COMPANY

## ACTUAL ADJUSTMENT

## DETAILS FOR THE MONTH

SEPTEMBER, 2004

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH SEPTEMBER, 2004</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	201,344
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	411
TOTAL SUPPLY VOLUMES	MCF	201,755
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,444,036
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(17,626)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	0
TOTAL SUPPLY COST	\$	1,426,410
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	230,736.9
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	230,736.9
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	6.182
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	6.672
DIFFERENCE	\$/MCF	(0.490)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	230,736.9
MONTHLY COST DIFFERENCE	\$	(113,061.08)

**THE UNION LIGHT, HEAT AND POWER COMPANY**  
**DETERMINATION OF TOTAL SUPPLY COST**  
**MONTH OF SEPTEMBER, 2004**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	1,450,101.38	
adjustments	2,808.52	
IT monthly charges entered by Gas Supply	<u>(8,874.16)</u>	1,444,036
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	0.00	0
 <u>LESS: X-5 TARIFF</u>	0.00	0
 <u>LESS CMT MANAGEMENT FEE</u>	17,626.00	(17,626)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	0.00	0
 <u>LESS: GAS SOLD TO REMARKETERS</u>	0.00	
adjustments	<u>0.00</u>	0
 <u>LESS: GAS COST CREDIT</u>	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 TOTAL SUPPLY COSTS		 <u><u>1,426,410</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT 191-40	(113,061.08)
ACCOUNT 805-10	113,061.08

## THE UNION LIGHT, HEAT AND POWER COMPANY

SEPTEMBER, 2004

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<b><u>GAS FUEL ADJUSTMENT BILLED</u></b>			
EGC	230,736.9	1,539,373.33	6.67155245
RA		(208.98)	
AA		32,561.96	
BA		<u>(2,279.46)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>1,569,446.85</u>	
TOTAL SALES VOLUME	230,736.9		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>230,736.9</u>		
 <b><u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u></b>			
SUPPLIER COST - CURRENT MONTH	230,736.9	1,426,410.00	6.18197609
UNRECOVERED PURCHASED GAS COST		145,623.04	
ROUNDING(ADD/(DEDUCT))		<u>(97.75)</u>	
TOTAL GAS COST IN REVENUE		<u>1,571,935.29</u>	
TOTAL GAS COST RECOVERY(GCR)		1,569,446.85	
LESS: RA		(208.98)	
BA		<u>(2,279.46)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>                    </u>	
		<u>1,571,935.29</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		145,623.04	
LESS: AA		<u>32,561.96</u>	
MONTHLY COST DIFFERENCE		113,061.08	
EXTENDED MONTHLY COST DIFFERENCE		<u>112,963.33</u>	
ROUNDING		<u>(97.75)</u>	

THE UNION LIGHT HEAT & POWER COMPANY  
SUMMARY OF GAS COST RECOVERY COMPONENTS  
BY BILLING CODE

MON/YR	BILLING CODE	ESTD. GAS COST \$	QUARTERLY RECONCILIATION ADJUSTMENT			QUARTERLY ACTUAL ADJUSTMENT			BALANCE ADJUSTMENT			TOTAL GCR FACTOR \$			
			CURRENT \$	PREVIOUS \$	2ND PREV \$	3RD PREV \$	CURRENT \$	PREVIOUS \$	2ND PREV \$	3RD PREV \$	CURRENT \$		PREVIOUS \$	2ND PREV \$	3RD PREV \$
Jan-03	013	5.050	(0.001)	(0.004)	0.000	0.000	(0.090)	(0.021)	(0.190)	(0.220)	(0.088)	0.138	0.041	(0.020)	4.595
Feb-03	013	5.050	(0.001)	(0.004)	0.000	0.000	(0.090)	(0.021)	(0.190)	(0.220)	(0.088)	0.138	0.041	(0.020)	4.595
Mar-03	033	6.096	0.000	(0.001)	(0.004)	0.000	0.313	(0.090)	(0.021)	(0.190)	0.008	(0.088)	0.138	0.041	6.202
Apr-03	053	6.537	0.000	(0.001)	(0.004)	0.000	0.313	(0.090)	(0.021)	(0.190)	0.008	(0.088)	0.138	0.041	6.643
May-03	053	6.537	0.000	(0.001)	(0.004)	0.000	0.313	(0.090)	(0.021)	(0.190)	0.008	(0.088)	0.138	0.041	6.643
Jun-03	063	6.835	0.000	0.000	(0.001)	(0.004)	0.437	0.313	(0.090)	(0.021)	0.004	0.008	(0.088)	0.138	7.531
Jul-03	063	6.835	0.000	0.000	(0.001)	(0.004)	0.437	0.313	(0.090)	(0.021)	0.004	0.008	(0.088)	0.138	7.531
Aug-03	063	6.835	0.000	0.000	(0.001)	(0.004)	0.437	0.313	(0.090)	(0.021)	0.004	0.008	(0.088)	0.138	7.531
Sep-03	083	6.201	(0.004)	0.000	0.000	(0.001)	(0.183)	0.437	0.313	(0.090)	0.029	0.004	0.008	(0.088)	6.626
Oct-03	083	6.201	(0.004)	0.000	0.000	(0.001)	(0.183)	0.437	0.313	(0.090)	0.029	0.004	0.008	(0.088)	6.626
Nov-03	083	6.201	(0.004)	0.000	0.000	(0.001)	(0.183)	0.437	0.313	(0.090)	0.029	0.004	0.008	(0.088)	6.626
Dec-03	103	5.874	0.000	(0.004)	0.000	0.000	(0.045)	(0.183)	0.437	0.313	(0.022)	0.029	0.004	0.008	6.411
Jan-04	014	7.261	0.000	(0.004)	0.000	0.000	(0.045)	(0.183)	0.437	0.313	(0.022)	0.029	0.004	0.008	7.798
Feb-04	034	6.558	0.000	(0.004)	0.000	0.000	(0.045)	(0.183)	0.437	0.313	(0.022)	0.029	0.004	0.008	7.095
Mar-04	044	6.373	0.000	0.000	(0.004)	0.000	0.347	(0.045)	(0.183)	0.437	0.031	(0.022)	0.029	0.004	6.967
Apr-04	064	6.385	0.000	0.000	(0.004)	0.000	0.347	(0.045)	(0.183)	0.437	0.031	(0.022)	0.029	0.004	6.979
May-04	074	6.905	0.000	0.000	(0.004)	0.000	0.347	(0.045)	(0.183)	0.437	0.031	(0.022)	0.029	0.004	7.499
Jun-04	084	7.292	0.000	0.000	0.000	(0.004)	0.144	0.347	(0.045)	(0.183)	(0.041)	0.031	(0.022)	0.029	7.548
Jul-04	104	7.011	0.000	0.000	0.000	(0.004)	0.144	0.347	(0.045)	(0.183)	(0.041)	0.031	(0.022)	0.029	7.267
Aug-04	114	7.103	0.000	0.000	0.000	(0.004)	0.144	0.347	(0.045)	(0.183)	(0.041)	0.031	(0.022)	0.029	7.359
Sep-04	124	6.653	(0.001)	0.000	0.000	0.000	(0.320)	0.144	0.347	(0.045)	0.023	(0.041)	0.031	(0.022)	6.769